

United States Senate

WASHINGTON, DC 20510

March 11th, 2008

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

The Honorable Tom Harkin
Chairman
Senate Committee on Agriculture
Washington, DC 20510

The Honorable Saxby Chambliss
Ranking Member
Senate Committee on Agriculture
Washington, DC 20510

Dear Colleagues:

We are writing regarding a timely issue regarding the oversight of our energy markets and the consideration of the Food and Energy Security Act of 2007.

We first want to thank you for your assistance in including the "CFTC Reauthorization Act of 2007" within the Senate passed Farm Bill. We believe that this additional authority provided to the Commodity Futures Trading Commission is absolutely critical in ensuring integrity within our energy futures markets. The amendment, which had unanimous support, codifies the CFTC's requested authority as outlined in their recent *Report on the Oversight of Trading on Regulated Futures Exchanges and Exempt Commercial Markets* and we believe would increase confidence in our energy prices.

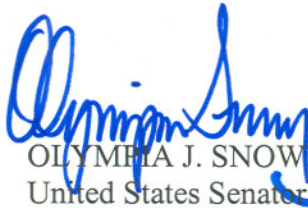
Since December when the Senate passed the Food and Energy Security Act of 2007, energy prices have risen to historic levels, and experts attribute some of this rise to energy speculation. During testimony before Senate Energy and Natural Resources Committee on Tuesday, March 4th, Administrator Guy Caruso of the Energy Information Agency stated that "there's clearly been a surge in moneys coming in to commodities, including energy, which had some upward effect on the price above the trendline." Mr. Caruso further stated that based on supply and demand the price of oil should be about \$90, rather than the \$100 that consumers are now experiencing.

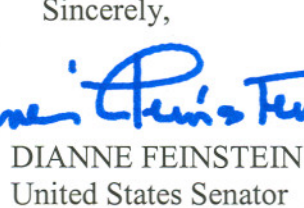
In the context of the role speculation now plays in energy markets, it is essential that we expeditiously provide the CFTC the regulatory authority to ensure that these markets operate with transparency and accountability. We greatly appreciate your work in advocating for the Senate passed provisions in negotiations with the House of Representatives, but we recognize that unrelated obstacles may prevent swift action on a Conference Report prior to the expiration of the 2002 Farm Bill on March 15th.

Accordingly, we request that any extension of the 2002 Farm Bill include this amendment if negotiations with the House of Representatives have been completed. If you have any questions, please contact Matthew Nelson in Senator Feinstein's office, Dan Berkovitz in Senator Levin's office, or Patrick Woodcock in Senator Snowe's office.

Thank you for your consideration and your work on this critical issue.

Sincerely,


OLYMPIA J. SNOWE
United States Senator


DIANNE FEINSTEIN
United States Senator


CARL LEVIN
United States Senator